

# Families in the economic crisis: Changes in policy measures in the EU

## Executive summary

### Introduction

This report describes the situation and experience of families during the economic crisis and examines how family-focused policies have changed since 2010. In some countries, benefits have been reduced, affecting disadvantaged families disproportionately. Other countries have introduced new measures to help those families worst affected by the economic crisis. This report also looks at the social situation of different types of families with dependent children and examines what kind of responses can help mitigate the effect of the crisis on disadvantaged families. It focuses on in-depth analyses of developments in 10 EU Member States.

### Policy context

A key policy priority of the Europe 2020 Strategy is the ambitious target of lifting 20 million people out of poverty and social exclusion by 2020. The Social Protection Committee highlights that social investment in children can contribute to preventing and alleviating poverty. However, the EU is currently moving away from rather than towards the target: in 2013, some 4.8 million more of its citizens were living in poverty or social exclusion than in 2008.

The policy priorities of the inclusive growth agenda, intended to help parents actively participate in both society and the economy, focus on measures that help them combine work and care, assist them with childcare costs, and make work pay for (both) parents. Another key policy area is employment. One of the growth strategy's targets is ensuring an employment rate of 75% among 20–64 year olds by 2020. However, a mid-term review has shown that employment targets can only be met if there is a stronger focus on gender equality.

### Key findings

- Throughout Europe, lone-parent families and large families with three or more dependent children face the greatest difficulties: their situation has worsened

during the crisis. Differences in the situation of families depend in part on the extent to which the crisis has affected them; they also depend on how Member States responded to the crisis, reflecting different family policy regimes.

- There is evidence of a shift towards more means-tested support; this may create new groups of disadvantaged families who, before the crisis, had access to universal support measures.
- Some Member States have more enabling family policy regimes that help families move away from the traditional breadwinner model. In these countries, cuts to family-targeted benefits have focused on cash and tax benefits. This might indicate that a focus on work–life balance and social investment has been maintained despite the crisis.
- In countries with more limiting family policy regimes, the findings point to significant pressures that mean national and local governments are no longer able to fund some pre-crisis services and measures.
- Changes since 2010 are largely the result of a range of conflicting issues: the evolution of family needs; demands for cuts in public spending; and the need for equitable distribution of limited resources. This means family policies often lack a coherent and integrated policy framework.

### Policy pointers

**Evidence-based policy and evaluation of programmes improved by stakeholder and beneficiary involvement:** While new provisions and reforms are normally introduced as pilot experiments, they are rarely accompanied by monitoring and evaluation procedures. In small-scale programmes, in particular, systematic assessments and evaluations of

results is not common. Qualitative monitoring should back up the implementation of new initiatives so that service providers understand how and why goals are met (or not) and to consider real day-to-day problems and necessities.

**Family policy should be part of an integrated strategy:** Support for families is often realised in a fragmented manner, following specific emergencies and political inputs, rather than through coordinated and structural reforms. In times of crisis and cuts in public expenditure, as the literature shows, coordination and integration are key to achieving the best possible results with the lowest level of public and private resources.

**Integrated strategies required:** Coordination should involve both different strands of policy and different institutional levels: national, regional and local levels should cooperate more to avoid duplication of measures. This would correct situations where well-informed families are able to access all possible benefits while the more deprived fall through the net. An integrated strategy can encourage the strengthening of family organisations, community social bonds and informal local organisations. Only a coherent and comprehensive family policy framework can guarantee sustainable social development, and prevent families from falling into difficulties from which recovery is harder and more expensive.

**Adequate income is central to support disadvantaged families and discourage informal employment:** The study highlights the importance of providing minimum income support to disadvantaged families. In many Member States, the level of income support is below the at-risk of poverty or social exclusion (AROE) threshold. The lack of adequate income support schemes has forced many families to enter the shadow economy.

**Families must be helped to reconcile care responsibilities with employment:** Full-time employment improves the social and economic situation of families in all countries studied, although often the income received from employment is not sufficient to remove families from poverty. This means that any measure that increases work–life balance is important. The case studies demonstrate the activation effect of an increase in availability of inexpensive childcare services. It represents a precondition for getting out of poverty, allowing lone parents in particular to look for gainful employment.

**Vulnerability is multi-dimensional:** Having a job is not the only answer to the risk of poverty. Policies must also consider social inclusion and participation. Seemingly ‘smaller’ things, like additional childcare help or reduced-cost transport tickets, can have a large positive impact and combat social exclusion. Housing policy, which can take several forms (help with paying the rent or electricity bills, fiscal reduction or preferential access to affordable housing), is a key consideration.

**Providing adequate childcare provision is crucial in difficult economic times:** Many families, and in particular lone parents, find it hard to reconcile family life with full-time employment. Against this background, providing adequate and high-quality childcare – next to promoting children’s well-being – is a major factor in combating poverty and exclusion. In a period of economic crisis, care needs are even more likely to clash with the need to maintain income. Here, lone parents face additional difficulties, having to choose between working or caring for children.

**Information and access to benefits and programmes should be straightforward:** Benefits should encourage maximum take-up by those who are eligible. In many cases, the measures target the most vulnerable: hence, they need to be easily accessible and comprehensible. Otherwise, those who lack the knowledge or contacts may not benefit from the measures they are entitled to. Families without sufficient social, material and cultural capital risk becoming even more excluded.

**Targeted support should recognise new family forms:** Targeting measures to the most deprived families is an equitable way of allocating available resources in a period of austerity. But major problems have been caused by a too narrow definition of, for instance, what constitutes a family or a lone-parent family, and by definitions that do not take account of changes in the make-up of families, such as ‘blended’ families after divorce and remarriage. An important feature of social support systems is, therefore, that they can quickly adapt to changing family structures, and focus less on the legal status of families.

#### Further information

The report *Families in the economic crisis: Changes in policy measures in the EU* is available at <http://www.eurofound.europa.eu/publications>.

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